



Testimony for Public Hearing on Disaster Reappraisal Reform County Affairs, August 23, 2018

Good afternoon Chairman Garnet and members of the committee. My name is Brent South, chief appraiser for the Hunt County Appraisal District. I am speaking to you today on behalf of the Texas Association of Appraisal Districts in regards to the current status for disaster reappraisal.

TAAD understands the desire of the legislature to review and evaluate the process for providing meaningful property tax relief to property owners affected by disaster. Chief appraisers and appraisal districts across the state will comply with any and all legislation from this body, however; we would like to provide an alternative to the cumbersome and costly disaster reappraisal process currently in place under Section 23.02 of the Texas Property Tax Code.

Section 23.02 creates many challenges for appraisal districts including:

- Limited resources and staffing requirements to complete reappraisal and current year appraisal simultaneously.
- No limitation on when a taxing unit may request the reappraisal
- The code is silent on the appeals process for reappraised properties
- Timing issues. Damaged properties may have been reconstructed prior to the CAD conducting the reappraisal.
- Cost of reappraisal to taxing units.

We have put together a working group with the sole purpose of developing a plan that is cost effective, minimizing the amount of resources required to provide relief to those in need.

Our proposal for your consideration is as follows:

- Rescind Section 23.02 of the tax code and replace it with a temporary partial exemption for those properties affected by the disaster and located within area declared by Governor as a disaster area.
- Local option exemption which must be adopted by a taxing unit within 60 days of the date the Governor declares a disaster. Must promptly notify chief appraiser of decision to grant the exemption.



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- Property owners must make application for the exemption within 45 days and chief appraiser may extend deadline for good cause.
- Upon receipt of application, chief appraiser shall determine the level of damage:
 - Level I – at least 15% but less than 30%. Minimal damage and may continue to be used as intended. **15% exemption**
 - Level II – at least 30% but less than 60%. Suffered nonstructural damage to roof, walls, foundation and the waterline, if any, is less than 18 inches above floor. **30% exemption**
 - Level III – at least 60% but less than 100%. Suffered significant structural damage requiring extensive repair due to failure or partial failure of structural elements, wall elements, foundation elements and the waterline, if any, is at least 18 inches above the floor. **60% exemption**
 - Level IV – Total loss. Repair of the property is not feasible. **100% exemption**
- Property owners have 30 days to file a protest of the exemption determination and may appeal before the Appraisal Review Board. In an appeal, the owner may only protest the % of the exemption. They shall not be allowed to appeal any other items such as market value or equal & uniform.
- The temporary exemption would go into effect for the year of the disaster, pro-rated, and would remain on the property until the appraisal district re-appraises the property in a subsequent year.
- A taxing unit shall be provided a deduction for the total amount of disaster exemptions for purposes of effective and rollback rate calculations.
- If tax bill has not been paid, a corrected bill will be mailed. If tax bill has been paid, a refund will be issued, no interest.
- The bill would provide for a limited scope review on the Methods and Assistance Program review by the comptroller of the appraisal district in the effected disaster area.



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We feel this alternative to the disaster reappraisal provides actual property tax relief while minimizing the cost to taxing units.

Thank you for your consideration on this extremely important matter and I am happy to answer any questions you might have regarding this proposal.